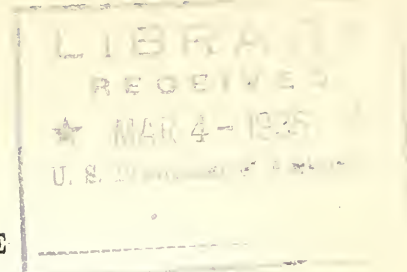


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UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Adjustment Administration  
Alfred D. Stedman, Assistant Administrator  
Director, Division of Information

No. 66

February 16, 1935.

TO FARM JOURNAL EDITORS:

The following information is for your use.

*Dewitt C. Wing and Francis A. Flood*  
Dewitt C. Wing and Francis A. Flood,  
Specialists in Information.

CONTINUED AAA PROGRAMS DESIGNED TO OFFSET DROUGHT

The Agricultural Adjustment Administration is not considering the abandonment of any program now in effect.

The adjustment programs of 1934 were modified to offset, in so far as possible, the unbalanced conditions brought about by the unprecedented drought.

All the major programs for 1935 call for increases over 1934 farm production. It is expected these increases will gradually overcome the effects of drought. Even in the case of cotton, with a carryover still twice of normal, a substantial increase over last year's acreage is provided for on the 1935 contract.

So far as can now be forecast on the assumption of normal growing conditions, American farmers will produce in 1935 about 70 per cent more grains than in 1934, about the same large volume of truck crops and fruits and vegetables, only 5 per cent less poultry, and a similar percentage of decline from the high dairy production of 1934. Substantial reduction, however, will occur in the slaughter of meat animals. In the case of cattle and sheep, this expected reduction in slaughter will be due entirely to the recent heavy marketings forced on farmers by the drought feed shortage. In the case of hogs, the adjustment and corn loan program had the effect of bringing about a more orderly reduction of slaughter than would in any case have resulted from the drought.

The rise in food costs since last summer largely reflects the shortages in crops and livestock production which were hardest hit by drought.

Retail food costs, which, in 1929, prior to the depression, were 150 per cent of pre-war, declined to pre-war levels in 1933, averaged 109 per cent of pre-war in 1934, and even after recent sharp advances in livestock products, are now only about 120 per cent of pre-war, or 30 points below the 1929 average.

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A press statement that farm prices of 14 basic commodities were 24 per cent above pre-war parity is incorrect.

The facts are that the average prices received by farmers for the 14 items in January averaged 106 per cent of the pre-war level. Parity on these items would be 126 per cent of pre-war. The January farm prices of these 14 items therefore were 20 points below parity. Farmers received benefit payments on a portion of their sales. Considering benefit payments as additional income, farmers received on the part of their crops consumed in this country, returns equivalent to 124 per cent of pre-war prices, or 2 points less than parity. This figure covers the 14 items described by law as basic. On the seven of these items covered by adjustment programs, the farmers received in farm price plus benefit payments, 9 points above parity, but this margin over parity applies, not to their entire sales, but only to that share of their sales consumed in this country.

Without benefit payments, farm prices are 20 points below parity now. With normal growing conditions, unless there are substantial increases in consumer buying power and industrial production in 1935, they could easily go several points lower this year. No consideration has been given to abandonment of adjustment programs while farmers are facing such a situation. The purpose of the Adjustment Act is to seek to establish and maintain parity prices.

The need for continuance of adjustment programs is emphasized by the fact that even the combined impact of reduction of export surpluses, unprecedented drought, and dollar devaluation still leave farm prices 20 points below parity, wholesale prices of farm products 13 per cent below their 1929 relation to industrial prices, retail food costs 20 points below the general level of the cost of living, and the farmers' standard of living, as measured by net income over operating expenses, 20 per cent below their pre-war standard.

# # #

#### BILL CONSIDERED TO MAKE POTATOES A BASIC COMMODITY

Representatives of potato growers in 22 states, considering with interested members of Congress a bill to designate potatoes a basic agricultural commodity, on February 13 struck out provisions for the sale of tax-exemption stamps to finance administration of production control. As the draft of the proposed bill now stands, costs of administration would be met by an appropriation from the Treasury and the proposed tax on sales of potatoes in excess of allotments.

The meeting amended its first draft of the proposed control bill by changing from 1 to 2 per cent the maximum tolerance to be allowed by the Secretary of Agriculture in adjustment of State allotments of tax-exempt sales quotas to states in accordance with the bill's definite provisions. Upon motion by Representative Boileau of Wisconsin, the growers voted in favor of fixing the National and State production allotments on the basis of production and sales records any three of the years from 1927 to 1933, inclusive. A motion was carried that the method of fixing grower allotments within states be left to the Secretary of Agriculture.





A motion to reduce the maximum tax on sales in excess of allotments from 3/4 of a cent per pound to 1/2 cent was rejected. This tax is the essence of the control plan, which provides neither processing taxes nor benefit payments.

States from which growers voted in favor of the draft of the bill were Alabama, Idaho, Illinois, Kansas, Maine, Minnesota, New Jersey, North Carolina, Ohio, Virginia and West Virginia.

Representatives of Connecticut, Massachusetts and Pennsylvania voted against the bill. Michigan, New York and Nebraska representatives voted present. Florida and Louisiana went on record as not voting; and Maryland and California as absent.

The purpose of the control measure was described as limiting the quantity that producers would sell. Under the terms of the proposed bill quotas that could be sold tax free will be established. Committees working in cooperation with the Secretary of Agriculture would break State quotas into allotments to individual producers. The State quotas would be based on the three highest acreages and the three highest yields per acre of any State selected from the years 1927 to 1933, inclusive. The years selected for yield need not be the same as selected for acreage. The average production figure obtained in this manner would be the base, for the adjustment program which has as its goal the parity price that obtained in the years 1919 to 1929, inclusive.

B. Drummond Ayres of Accomac, Va., presided at the meeting, which was held in Washington, D. C., in the Department of Agriculture building.

The following members of Congress were present: Harry B. Coffee, Nebraska; Lindsay C. Warren, North Carolina; A. O. Bland, Virginia; Gerald J. Boileau, Wisconsin; Edward C. Moran, Jr., Maine; G. A. Barden, North Carolina; Ralph O. Brewster, Maine; Colgate W. Darden, Jr., Virginia; D. Worth Clark, Idaho.

Others at the conference and the states represented were:

Alabama - Marshall Patterson and T. N. Faris.

California - J. E. Coke.

Connecticut - Louis L. Grant.

Florida - D. E. Timmons.

Idaho - Joseph Andrasen.

Illinois - H. B. Tabb, Secretary National Potato Association, Chicago.

Kansas - Scott E. Kelsey and Myron S. Kelsey, Kaw Valley Potato Growers Association, Topeka.

Louisiana - Allen J. Ellender.

Maine - Gov. Lewis J. Brann, F. P. Washburn, Commissioner of Agriculture, and E. W. Russ, Aroostook County Potato Shippers, and H. B. Crawford, Aroostook County Growers.

Maryland - S. B. Shaw.

Massachusetts - C. L. Belden and W. A. Manson.

Michigan - A. J. Engel, Cadillac Potato Growers Exchange.

Minnesota - E. E. Flatt and O. J. Odegard.

Nebraska - William Morrow.

New Jersey - Spencer Perrine, New Jersey State Potato Association.





New York - Leon A. Rushmore, H. C. Thompson, C. E. Dimon, and Roy A. Porter.  
North Carolina - R. W. Galphin, Dudley Bagley, W. L. McGahey, L. B.  
Mibyette and W. S. Byrd.

Ohio - W. E. Stough, Ohio Vegetable Growers' Association.

Pennsylvania - W. S. Bishop, Pennsylvania Potato Growers Association and  
Miles Horst.

Virginia - B. Drummond Ayres, Thomas H. Huttingham, B. C. Hames, G. T.  
Wallaces II, R. T. Atridge and L. B. Dietrich.

West Virginia - L. E. Reynolds, West Virginia Potato Growers' Cooperative  
Association, E. S. Humphrey W. W. Armentrout and Dee Crane.

# # #

#### ADVISER TO MAKE A SURVEY OF FOREIGN MARKETS

Secretary of Agriculture Wallace has announced that Oscar Johnston, special adviser to the Department of Agriculture on Southern agriculture, had been authorized to visit various European countries for the purpose of surveying the possibilities of improving the export situation of American agricultural commodities.

Mr. Johnston will sail from New York February 22 and, upon his arrival abroad, begin a general survey of financial and marketing conditions in foreign countries.

Secretary Wallace emphasized that Mr. Johnston's mission has no relation to the stocks of cotton under government control and that no effort was to be made to undertake the marketing abroad of any of the cotton held in the 1933 Cotton Producers Pool, of which Mr. Johnston is manager.

The Secretary stated that there was no reason at this time for altering the present policy of marketing this cotton through the normal trade channels and that Mr. Johnston would not negotiate with foreign consumers of cotton for the sale of any of the cotton under government control.

The purpose of the mission, as explained by Secretary Wallace, is to explore the possibilities of increasing American exports of agricultural commodities.

Secretary Wallace pointed out that the United States recognizes its responsibility for the accumulation of the large surplus of cotton which had come into existence prior to August 1, 1932, and that, because of this, the United States has undertaken the task of relieving the markets of the world of this burdensome excess.

"America is anxious to move the surplus cotton into consumption," Secretary Wallace said, "without, at the same time, either unduly depressing world prices or losing for the American cotton producer the benefit of world markets. All of the nations have been interested in the efforts that have been made by the American producer under the Agricultural Adjustment Act. We now feel that we have reached the point where it is desirable to obtain first-hand, accurate information as to the attitudes of other nations which like ourselves, are interested in the production of cotton and also of those nations which purchase large supplies of cotton



from producing countries. To this end, Mr. Johnston has been asked to go abroad and obtain such information as will be helpful in shaping our policies for the future."

# # #

#### FIRST CHECKS TO PRODUCERS ON SALES OF BANKHEAD CERTIFICATES

The first dividend checks to producers who have properly surrendered certificates to the national Surplus Cotton Tax-Exemption Certificate Pool were mailed from Washington February 15, the Agricultural Adjustment Administration has announced. When mailing is completed, approximately 80 percent of the final total due producers, or \$11,600,000 will have been distributed.

The checks represent a partial payment at the rate of 2 cents a pound, equivalent to \$10 a bale, on all certificates surrendered to the Pool. They are going to some 400,000 producers in 17 of the 18 cotton-growing states who surrendered to the Pool certificates representing a total of approximately 580,000,000 pounds, or the equivalent of approximately 1,210,000 bales.

The Pool was formed to facilitate the transfer of cotton tax-exemption certificates under the Bankhead Act. The final date for surrendering certificates to the Pool was November 24, 1934. Sale of Certificates from the Pool ended February 9, 1935. Surplus certificates were sold by the Pool at the standard rate of four cents a pound, whereas the tax on the ginning of cotton in excess of Bankhead Act allotments is 5.67 cents a pound.

When a final audit of the Pool sales is completed, all money on hand, less operating expenses, will be distributed in a final dividend on a pro-rata basis to producers who surrendered certificates for sale through the Pool. Each producer also will be returned his pro-rata share of any certificates not sold. These may be exchanged by the producer for 1935 tax-exemption certificates in excess of his regular allotment of such certificates after the Bankhead Act is declared effective for 1935.

To date, \$14,962,273 has been received in Washington from sales of certificates. It is from this sum that the partial payment is now being made.

E. L. Deal, manager of the Pool, estimated that the cost of operating the Pool will be approximately one percent of the total amount taken in from the sale of certificates. This is the equivalent of approximately 20 to 25 cents a bale.

# # #

#### COMPENSATORY TAX ON SISAL KRAFT RECOMMENDED

The establishment of a compensatory tax of 22 cents per thousand yards, one inch wide, on sisal kraft tape to equalize the 4.2 cents a pound processing tax on cotton, has been jointly recommended to the Agricultural Adjustment Administration by representatives of gummed cotton tape and sisal kraft tape manufacturers.





The recommendations, which were taken under advisement, were made at a hearing in Washington called by Secretary of Agriculture Henry A. Wallace to determine whether the processing tax upon cotton is causing or will cause to the cotton processors disadvantages in competition from reinforced gummed paper tape by reason of excessive shifts in consumption between such commodities or products. The hearing was presided over by J. L. Poirce and Percy C. Young of the Agricultural Adjustment Administration.

Charles K. Everett of New York, manager of the New Uses Section of the Cotton Textile Institute, and Allison L. Newton, representing the Nashua Gummed and Coated Paper Co., the Brown-Bridge Mills, Inc., and the American Reinforced Paper Co., both agreed that a compensating tax of 22 cents per thousand yards, one inch wide, on sisal kraft, would be "fair for all practical purposes," in view of the 4.2 cents a pound processing tax on cotton.

While Mr. Newton, who represented sisal kraft manufacturers, did not agree with Mr. Everett's contention that sisal kraft has displaced "thousands of yards" of gummed cotton tape in the manufacture of corrugated cartons and containers, he did not offer any testimony to support his contention. Mr. Newton said that while he "doubted" if the tax was causing a shift from gummed cotton tape to sisal kraft tape he preferred to offer evidence in support of his recommendation that, should a compensating tax be levied, it should not be more than 22 cents per thousand yards, one inch wide.

Mr. Everett testified that "since practically the beginning of the manufacture of corrugated cartons and containers, gummed cotton tape has been used as a stay or hinging material". Prior to the imposition of the cotton processing tax on August 1, 1933, he said there were no substitutes for cotton "used for practical commercial purposes" on containers meeting the shipping strength specifications of the Interstate Commerce Commission. Until the imposition of the cotton processing tax, Mr. Everett said, the gummed tape industry had consumed approximately 25,000,000 yards of cotton textiles annually.

Mr. Everett said sisal kraft tape had become a commercial competitor of gummed cotton tape since the processing tax on cotton was established. Sisal kraft, a patented gummed tape, is composed of two layers of kraft paper, between which unspun sisal fibres are placed transversely for reinforcing purposes. The two layers of kraft paper, with the unspun sisal fibres between them, are cemented together to make a gummed tape which meets Interstate Commerce Commission specifications.

Mr. Everett said he wanted to "put into the record a word as to the spirit of fair play characterizing the position on this occasion of the manufacturers of gummed sisal kraft tape."

"For once, he said, "at least all parties concerned seem to be in agreement. There seems to be no controversy as to the fact of competition and the fact that the cotton processing tax has caused an excessive shift in consumption from gummed cotton tapes to gummed sisal kraft tape, inasmuch as the manufacturers of sisal kraft tape have come forward with a proposal to accept as fair a compensatory tax of 22 cents per thousand yards of sisal kraft tape, one inch wide."





"After thorough consideration, we are prepared to accept as fair for all practical purposes, the tax proposed provided that Department of Agriculture officials also feel that it is fair."

Mr. Everett was assisted in his presentation of the cotton manufacturers' view points by F. A. Stocker, president of the Atlantic Gummed Paper Corporation, Brooklyn, N. Y.

Supporting the position outlined by Mr. Newton were Robert A. Brown of the Nashua Gummed and Coated Paper Co., Nashua, N. H., and Charles B. Newhall, of Boston, Mass., who represented the same companies as Mr. Newton.

Mr. Newton confined the bulk of his evidence to technical differences between sisal kraft tape and gummed cotton tape. He introduced affidavits from manufacturers of corrugated cartons and containers in an effort to show that the trade considered sisal kraft, No. 60, comparable to 5.55 cotton cloth. These grades of gummed tape, he said, one of sisal kraft and the other of cotton, were considered "interchangeable" by the trade. He argued that as these grades of different fibres are interchangeable, the levying of a compensatory tax should be based on 1,000 yards, one inch, of tape, rather than on a pound basis. He said the weight of sisal kraft tape varies because the weight and distribution of the cement used in the tape varies.

Mr. Brown testified that the present prices per thousand one-inch yards are \$2.25 for gummed cotton tape and \$2 for sisal kraft tape. He said this differential had been maintained "solely to launch a new product on the market". He said he believed, however, that every yard of sisal kraft that had been sold had replaced a yard of gummed cotton cloth. Mr. Everett urged that if a compensatory tax is levied on sisal kraft that a definition "sufficiently broad to include all gummed paper tape, irrespective of weight or width, where it is reinforced with any other material than cotton" be included. He said that if this were not done other non-taxed fibres would be substituted for cotton and mentioned that there is now being marketed a gummed paper tape reinforced with burlap.

Mr. Newton said that while he would like to see a compensatory tax placed on other fibres if one is levied on sisal kraft that he would insist that this be done under a separate definition.

# # #

#### PEACH GROWERS' INCOME UNDER AGREEMENT

California growers of Clingstone peaches used for canning experienced a sixfold gain in income between the depression low of 1932 and the 1934 season, according to a survey of open market prices made by the Agricultural Adjustment Administration. In 1932, a season without any control program, growers received a total of \$906,000 from canners. In 1934, with a marketing agreement and license in effect for the second year, the total return to growers was \$6,000,000.

The average yearly payments to growers for their crop by canners during the years 1925 to 1929 inclusive were \$8,725,000. For 1930 and 1931, with the



depression making itself felt increasingly, the respective figures were \$7,836,000 and \$3,529,000. In these two years the growers and canners adopted voluntary control agreements. Heavy planting in the early '20's had carried bearing acreage upward steadily. Since the trees reach maximum yield at about the age of eight to ten years; tree removals have not been sufficient to cause a significant decrease in a relatively high production total.

The early voluntary control agreements never were regarded as continuing pacts. In 1932 no agreement was put into effect. Based on open market prices, grower income fell to \$906,000 in that year. In 1933 the industry entered into a marketing agreement and license under the Adjustment Administration, the main provisions of which provided for limitation of the maximum total tonnage of cling peaches that might be canned. The first season under the agreement and license returns to growers for peaches bought for canning increased to \$5,000,000. Growers received \$20 a ton for No. 1 fruit. In 1932 the price had been \$6.50 a ton, and only 55 percent of the crop had been sold. Under the agreement, in the 1934 season growers received \$30 a ton for 200,000 tons of No. 1 fruit canned under the agreement, receiving a total income of \$6,000,000 from peaches sold.

In addition to listing the above figures, affected to some extent by the economic conditions, the survey compares last year's grower income with the income which could have been expected had no agreement been in effect.

Growers received an average of \$30 a ton for 200,000 tons or total returns of \$6,000,000. Of the total crop of 324,000 tons, it is estimated that 268,000 tons were No. 1 fruit. During recent years canners have confined their packs to No. 1 fruit, consequently the total tonnage that would have been considered by canners for packing was 268,000 had no industry program been in effect. Had this tonnage, which is equivalent to about 12,000,000 cases, been available for canning, total return to growers would have been approximately \$3,000,000, or about one-half the amount actually received, it is estimated.

Price changes to consumers have been slight in comparison to the gain in growers income. Based on the data collected by the United States Bureau of Labor Statistics, the average price of a No. 2 1/2 can of peaches sold at retail for the United States as a whole was approximately 17 cents during the Fall months of 1933.

During recent months consumers have paid on an average about 18.5 cents for a No. 2 1/2 can of peaches which is an increase of less than 10 percent.

# # #

#### OPEN MARKET PRICE TO GROWERS ATTENDS CANNED ASPARAGUS AGREEMENT

With a new marketing agreement in the process of development for asparagus canned in the state of California, Agricultural Adjustment Administration officials are studying figures which show that grower income on open market sales for the 1934 season was substantially above similar income for the 1933 season, when no agreement was in effect. In 1933 the estimated gross return to growers for asparagus sold to canners on the open market was \$930,000. For the 1934 season it





was \$1,900,000. The quantity of asparagus (white basis) delivered to canners in the 1933 season was 109,358,000 pounds. During the 1934 season 98,927,000 pounds were delivered.

The proportion of the total asparagus sold on the open market and not by term contract increased from approximately 49 percent in 1933 to 64 percent in 1934. This fact, officials point out, was in no way caused by the agreement and license, but must be considered in making any accurate appraisal of the effects of the agreement.

Had growers in 1933 sold on the open market 64 percent of the total asparagus delivered to canners instead of 49 percent, total open market returns would have been \$1,225,000, at the average price of 1.75 cents a pound prevailing that year. This figure can be compared significantly with the 1934 figure of approximately \$1,900,000 which resulted from the sale of fewer pounds at an average price of 3 cents a pound.

A public hearing at Berkeley today (February 16) is on a proposed marketing agreement and license for canning asparagus grown in California. The provisions of this agreement are generally similar to those of the license issued by the Secretary of Agriculture on March 2, 1934, covering the 1934 crop, with the exception of those provisions for limitation of pack. The 1934 license authorized the Agreement Control Committee to limit the pack of canned asparagus to a definite number of cases. The proposed marketing agreement provides for limitation of pack through correlation of part of the volume of asparagus to be canned with the volume permitted to be sold as fresh asparagus under the provisions of the marketing agreement for fresh asparagus, approved March 16, 1934.

The agreement proposes to limit the canning of California asparagus to the period beginning March 26 and ending June 25. Between certain specified dates within this "canning period" the volume of asparagus that may be canned is to be regulated by a proration plan, coordinated with provisions for proration contained in the proposed amendments to the fresh asparagus marketing agreement, on which a public hearing was held January 18 and 19. The agreement also limits the canning of asparagus to three specified grades and requires inspection by the Control Committee to check the grades of all asparagus purchased and canned.

The proposed agreement provides for a Control Committee consisting of eleven members, five canners selected by a general election of all canners, five producers selected by a general election of all producers, and the eleventh member, neither a canner nor a producer, to be selected by a majority vote of the original ten.

# # #

#### ADJUSTMENT PAYMENTS TO SUGAR PRODUCERS TOTAL \$1,667,490

Adjustment payments already mailed to United States farmers cooperating in sugar beet and sugarcane adjustment programs total \$1,667,490, the Agricultural Adjustment Administration has announced. The payments were made in 9,036 checks. The checks, first installments on the 1934 adjustment payments, have gone to sugar





beet farmers in seven States and to Louisiana sugarcane producers as follows: Colorado, \$203,078; Idaho, \$4,613; Kansas, \$59,018; Nebraska \$143,029; South Dakota, \$14,479; Utah, \$384,706; Wyoming, \$181,905; and Louisiana, \$678,657.

Signing of adjustment contracts in the sugar programs was completed February 9 in all States except Indiana, Ohio and Washington, and contracts are now being forwarded rapidly to Washington for payment. To date, approximately 35,000 contracts have been received in Washington.

# # #

#### MARKETING ALLOTMENT PETITION DENIED IN BEET SUGAR ORDER

The petition of the California Sugar Growers' Association, seeking a marketing allotment for 1935 of 300,000 one-hundred pound bags of refined sugar, was denied by the Secretary of Agriculture in a formal order under the Agricultural Adjustment Act. The order, Continental United States Beet Sugar Order No. 5, was signed by R. G. Tugwell, as Acting Secretary of Agriculture. The marketing allotment was sought by the California Sugar Growers' Association for sugar to be produced from sugar beets processed at a sugar beet factory at Hamilton City, California.

The order denying the petition declared that the Secretary found that "the petitioner has not at any time manufactured or marketed beet sugar; that a certain beet sugar plant at Hamilton City, California, which the petitioner proposes to operate, has been in operation at the following times and at no other times, to wit, during the years 1908 to 1913, 1918 and 1925; that the operation of the said Hamilton City plant has not been successful nor profitable; that the petitioner has failed to show that it can or is now prepared to operate the said Hamilton City plant during the present year and/or any given number of subsequent years; that the petitioner has failed to show that it can secure a sufficient amount of sugar beets to produce the requisite marketing allotment; that the petitioner has failed to show that it will be able to assure growers of sugar beets of a continuing market or of a fair price for sugar beets; that the grant of the petition would not result in the welfare of domestic producers and in the protection of domestic consumers and in a just relation between the prices received by domestic producers and prices paid by domestic consumers, or tend to reestablish prices to farmers of sugar beets at a level that would give such sugar beets a purchasing power equivalent to the purchasing power of sugar beets during the period from August, 1909, to July, 1914, and would not further the purposes of the Agricultural Adjustment Act, as amended by the Jones-Costigan Act."

# # #

#### CALIFORNIA RICE MARKETING AGREEMENT AMENDED

Amendments to the California Rice Marketing Agreement which permits disposal of over-quota rice without disturbing the prices and marketing of quota rice have been signed by Secretary of Agriculture Henry A. Wallace, the Agricultural Adjustment Administration has announced. The amendments became effective February 13.



A considerable amount of over-quota rice was produced this season in California because of unusually large yields. The acreage was no larger than that of last year. The amendments maintain intact the present prices on quota rice grown by cooperating producers, at the same time permitting the sale of over-quota rice as brewer's rice, livestock feed, and for relief purposes at prices which will permit rice to move in these outlets.

Over-quota rice is re-defined in the amendments as rice which is in excess of a cooperating producer's quota and which has been purchased or toll-milled by a miller with the declared purpose of treating the rice as over-quota rice, and which is sold into non-routine markets, namely; to brewers, for feed, or for relief purposes. The amendments deal only with such surplus grown above their quotas by cooperating rice producers. They do not effect the status of quota rice grown by cooperators.

In order to permit the use of the new outlets under the marketing agreement, the amendments authorize the Marketing Board of the agreement to reduce the producer's price for over-quota rice, with the concurrence of a majority of the Crop Board and subject to the disapproval of the Secretary, within a range of not less than 10 percent nor more than 100 percent of the Secretary's price as fixed in the agreement. They also permit the Marketing Board, with the concurrence of a majority of the Crop Board and subject to the Disapproval of the Secretary, to fix an actual price to be paid producers for over-quota rice within any range above or below the producers' prices.

Proper safeguards and restrictions are included to maintain the present grower's prices for California quota rice; to distinguish between rice sold in routine and non-routine markets; and to avoid disturbing or competing unfairly with rice marketed from other production areas.

The amendments were issued after a hearing at San Francisco on December 6, 1934, to determine whether the California Rice Marketing Agreement should be amended.

# # #

